

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
February 24, 2003
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: O. Charlie Chewning, Jr., CPA, President; Michael H. Wray, Vice President; Walter C. Davenport, CPA, Secretary-Treasurer; Scott L. Cox, CPCU, CIC; and R. Stanley Vaughan, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; Lisa R. Hearne, Manager of Communications; Ann J. Hinkle, Manager of Professional Standards; Buck Winslow, Manager of Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, Executive Director, NCACPA; Curt Lee, Past President, NCSA; and Tom Chenoweth, CPA, Highland Publishing Company.

CALL TO ORDER: President Chewning called the meeting to order at 10:00 a.m.

MINUTES: The minutes of the January 21, 2003, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The financial statements for January 2003 were accepted as submitted.

LEGISLATIVE AND RULE-MAKING ITEMS: The Board reviewed the rules changes proposed by the NC Department of Insurance regarding CPAs who perform audits of insurance companies. The Board instructed the Executive Director and Legal Counsel to address the Board's concerns to the Department of Insurance.

REQUEST FOR DECLARATORY RULING: Messrs. Vaughan and Davenport moved to approve the interpretive statement that was presented by staff. Motion passed with five (5) affirmative votes and zero (0) negative votes (Appendix I).

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Davenport moved and the Board approved the following recommendations of the Committee:

200204-017 - Johnny Lee Blackwell - Approve the signed Consent Order (Appendix II).

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Mr. Wray moved and the Board approved the following recommendations of the Committee:

Transfer of Grades Applications - The following were approved:

Nicole Leslie Colbert
Amy Marie Fisher
Janice J. Fudala

Faith Anne McDougale
James A. Oakley
Keith Edward Scott

Original Certificate Applications - The following were approved:

J. Elizabeth Adams
Vicky Waddell Andrews
Catherine Kelly Campbell
Nicole Leslie Colbert
Steven William Curtright
C. Nicole Davenport
Keli Michelle Decker
Elizabeth Erin Dorsett
Amy Marie Fisher
Charles Wayne Freeman
Tonya Cherie Frye
Janice J. Fudala
Susan Mary Groover
Christine Keegan Hamrick
Rebekah Thorne Harrelson
Kimberly Ann Hartwell
Keely Wray Hesmer
Marcia Lynn Hewa
David D. Jones
Jerry Conner Jones Jr.
Brandon Lewis King
Kimberly Trevithick Lorbacher

Joseph Adam May
Faith Anne McDougale
Patti Whitener McIntire
Elsie Warren McLamb
Michael William Mercer
Wendy L. Messina
Ellen Kay Montgomery
James A. Oakley
Lorrie Gayle Pate
Victoria S. Pirozzi
Erin Malinda Rich
Amanda Marie Scott
Keith Edward Scott
Melissa Rae Scott
Samuel Brian Short
Cassie Elizabeth Simmons
William Leonard Traurig
Denise René Wainright
Diane Marie Wehner
Abby Cheree White
Melissa F. Wike
Amber Rae Yount

The Committee reviewed the original application submitted by Delia Frances Grant. Ms. Grant failed to disclose a conviction with her exam application but provided pertinent information with her certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee approved staff recommendation.

Reciprocal Certificate Applications - The following were approved:

Tanya F. Able
Tracy Jo Anderson
Pascal Anthony Binetti
Michael Robert Blevins
Lou Friday Cloninger
Thomas C. Devlin
Thomas Allen Eichelberger

Robert Louis Gomez
Daniel D. Goodson
Kim K. Grzywacz
Bjarne W. Howatt
Terry R. Huggins
Mark Edward Kurowski
Stephen R. Lillie

Kenneth Elliot Lipner
William Paul Lundy
Brett Jason Nazworth
Andrew Edward Nolan
Bianca Sánchez Palmer
Terri Nicole Redd
Lynda Merritt Renschen
Pamela Anne Rogero
Chad Hammond Rothert

David J. Sobczak
Randy H. Sofferman
Kiyoko Toda
Arthur W. Tollefson
Andrea Lynn Travis
Rebecca Byrd Turmel
Amy S. Wilson
Akira Yamamoto

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Larry Douglas Bailey Jr. #T02865
Titus Benjamin Ball #T02866
Tamara L. Burleigh #T02867
Kevin S. Corbett #T02868
Mary Alayne Ferguson #T02869
Daniel R. Foster #T02870
J. J. Maier #T02871

Joseph R. Milane #T02872
Larry Clinton Mingledorff #T02873
Stephen Scott Sealey #T02874
Dawn R. Segler #T02875
Crystal Lynn Stasik #T02876
Catherine B. Troiano #T02877
John Michael Zamiela #T02878

Reinstatements - The following were approved:

William Harold Battey #12030
Jeffrey Stuart Gilliam #13137
Arthur Beamguard McCarter #11668
Dare Wicker O'Connor #21500

Firm Registrations - The following professional limited liability company was approved by the Executive Director and ratified by the Board:

EDWINA W. WEBSTER, CPA, PLLC

Extension Requests - The Committee disapproved the following individuals for extension for completion of CPE:

Dreasha Lynn Harrold #20202
Craig Lupton-Smith #25200
Wendy Waldau #21649

SQR Matters -

The firm listed below completed the quality review less than 60 days after the deadline. Staff recommended a conditional license until February 24, 2004, pursuant to 21 NCAC 8J .0111(1). The Committee approved staff recommendation:

Holden, Thomasson & Longfellow P.C.

Michael Holden #12498

Virginia Thomasson #17849

Jonathan Longfellow Jr. #11032

The firms listed below reported the quality review less than 60 days after the deadline. Staff recommended a conditional license until February 24, 2004, pursuant to 21 NCAC 8J .0111(1). The Committee approved staff recommendation:

L. W. Blake CPA #13304

James E. O'Connor CPA PC

James O'Connor #13240

The firms listed below submitted a renewal or termination notice less than 60 days after the deadline. Staff recommended a conditional license until February 24, 2004, pursuant to 21 NCAC 8J .0111(1). The Committee approved staff recommendation:

Randal D. Brown CPA, P.A.

Randal Dale Brown #15332

Cox & Gibbs CPAs PLLC

Tyrone Cox #28242

Kenneth Gibbs #17228

Marsha Lederer CPA PLLC

Marsha Lederer #29287

Tracy D. McEntire CPA #20217

Gwen C. Merrill CPA #20283

J. Christen Rasmussen CPA #8638

Jeff A. Saleeby CPA #25839

Warrington House Inc.

Mariner Dail Hardison Jr. #16445

Donald Hicks Perry #18632

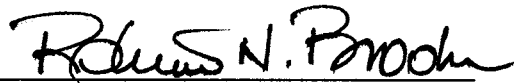
The firm Walker Neill & Wurst P.C. completed the quality review more than 120 days after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation.

The firm Richard B. Hill CPA (#12623) completed the quality review more than 120 days after the deadline for the second time in a row. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation.

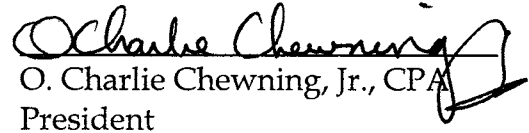
ADJOURNMENT: Messrs. Cox and Wray moved to adjourn the meeting at 10:55 a.m.
Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks
Executive Director



O. Charlie Chewning, Jr., CPA
President

Interpretive Statement

RE: 21 NCAC 8N .0306 Advertising or Other Forms of Solicitation

Issue:

This non-binding interpretive statement is issued by the North Carolina State Board of CPA Examiners pursuant to NCGS 150B-2(8a)(c) to address the use of "specialist," "specialty," "specialization," "specialize," "expertise," and "expert" in advertising and/or solicitations.

Interpretation:

21 NCAC 8N .0306 states, "A CPA shall not seek to obtain clients by advertising or using other forms of solicitation in a manner that is deceptive." A CPA certificate issued by the Board does not make an individual a specialist in accounting, auditing, or taxation. Therefore, a CPA and CPA firm may not use "specialist" in advertising or solicitation. A CPA and CPA firm may, however, use "specialize," "specialty," or "specialization" in an advertisement or solicitation to indicate a concentration or limitation of practice to a certain area(s). The word "expertise" may be used when referring to an area of practice if holding a specialty designation. "Expert" may only be used in conjunction with "witness" and then only if recognized as such by a court of law.

February 24, 2003

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200204-017

IN THE MATTER OF:
Johnny Lee Blackwell, #14659
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41 and 150B-22, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 14659 as a Certified Public Accountant.
2. On May 17, 2002, the Board issued an Order to Respondent regarding his failure to obtain a State Quality Review (SQR) prior to the prescribed completion date as required by Board statutes and rules.
3. The Board's Order placed Respondent's certificate on conditional status for one (1) year, and required Respondent to complete and provide verification of the completion of the eight (8) hour accountancy law course provided by the North Carolina Association of CPAs (NCACPA).
4. On September 23, 2002, the Board office received from Respondent a copy of NCACPA's "Attendance Verification & Evaluation Form" for the "Ethics Principles and Professional Ethics" course offered on September 19, 2002. Said form was signed by Respondent and reflected eight (8) hours of "total credit hours claimed."
5. In October of 2002, the Board office was advised by a representative of NCACPA's Education Division that Respondent arrived late for the September 19, 2002, course, and should only receive six (6) hours of CPE credit for said course.
6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

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BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's failure to comply with the terms of a Board Order constitutes a violation of NCGS 93-12 (9)e and 21 NCAC 8N .0203 (b)(3).
3. Respondent's representation that he earned eight (8) hours of CPE credit for a course in which he was only entitled to receive six (6) hours of CPE credit constitutes a violation of NCGS 93-12 (9)d and e and 21 NCAC 8G .0409 (a), 8N .0201, 8N .0202 (a), 8N .0202 (b)(4), and 8N .0203 (b)(1).

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent's license shall be suspended for thirty (30) days from the date this Order is approved by the Board.
2. Within one hundred eighty (180) days of the date this Order is approved by the Board, Respondent must again complete and again provide verification of his completion of the Ethics Principles and Professional Responsibilities course as offered by the North Carolina Association of Certified Public Accountants. Said course may not be used to meet Respondent's forty (40) hour reinstatement requirement.
3. If Respondent returns his suspended certificate within fifteen (15) days of the receipt of the approved Consent Order, Respondent can, after at least thirty (30) days, apply to return his certificate to active status by submission and approval of a reinstatement application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. 3 moral character affidavits, and
 - d. 40 hours of CPE in the 12 months preceding the application including an 8 hour accountancy law course pursuant to 21 NCAC 8F .0504.
4. If Respondent returns his suspended certificate in excess of fifteen (15) days of the receipt of the approved Consent Order, Respondent can, after thirty (30) days, plus the number of days that his certificate was late in being returned to

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Johnny Lee Blackwell

the Board office, apply to return his certificate to active status by submission and approval of a reinstatement application which includes:

- a. Application form (which includes statements regarding use of title during suspension),
- b. Payment of the application fee,
- c. 3 moral character affidavits (on forms provided by Board),
- d. 40 hours of CPE in the 12 months preceding the application including an 8 hour accountancy law course pursuant to 21 NCAC 8F .0504.
- e. a Consent Order requiring payment of at least \$100.00 in administrative costs.

CONSENTED TO THIS THE 27th DAY OF January, 2003.

Johnny Lee Blackwell
Respondent

APPROVED BY THE BOARD THIS THE 24th DAY OF February, 2003.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BOARD
SEAL

BY: Charlie Chewning
President